

Regular Session, 2010

HOUSE BILL NO. 744

BY REPRESENTATIVE ROY

INSURANCE/HEALTH-ACCID: Limits discontinuation or cancellation of health insurance coverage under certain circumstances

1 AN ACT

2 To amend and reenact R.S. 22:1068(B)(2) and 1074(B)(2) and to enact R.S. 22:1063(C),
3 relative to discontinuance or cancellation of health insurance coverage; to limit such
4 discontinuance or cancellation under certain circumstances; and to provide for
5 related matters.

6 Be it enacted by the Legislature of Louisiana:

7 Section 1. R.S. 22:1068(B)(2) and 1074(B)(2) are hereby amended and reenacted
8 and R.S. 22:1063(C) is hereby enacted to read as follows:

9 §1063. Prohibiting discrimination against individual participants and beneficiaries
10 based on health status

11 * * *

12 C. A group health plan and a health insurance issuer offering group health
13 insurance coverage in connection with a group health plan shall not non-renew or
14 discontinue health insurance coverage of an enrollee or insured under such group
15 plan for an act or practice that constitutes fraud or an intentional misrepresentation
16 of material fact under the terms of the coverage unless if a claim is made, the act or
17 misrepresentation directly relates to the illness or condition which produced the
18 claim.

19 * * *

1 §1068. Guaranteed renewability of coverage for employers in the group market

2 * * *

3 B. A health insurance issuer may non-renew or discontinue health insurance
4 coverage offered in connection with a group health plan in the small or large group
5 market based only on one or more of the following:

6 * * *

7 (2) ~~The~~ Except as provided in R.S. 22:1063(C), the plan sponsor has
8 performed an act or practice that constitutes fraud or made an intentional
9 misrepresentation of material fact under the terms of the coverage.

10 * * *

11 §1074. Guaranteed renewability of individual health insurance coverage

12 * * *

13 B. A health insurance issuer may non-renew or discontinue health insurance
14 coverage of an individual in the individual market based only on one or more of the
15 following:

16 * * *

17 (2) The individual has performed an act or practice that constitutes fraud or
18 made an intentional misrepresentation of material fact under the terms of the
19 coverage; however, if a claim is made, the act or misrepresentation shall directly
20 relate to the illness or condition which produced the claim.

21 * * *

DIGEST

The digest printed below was prepared by House Legislative Services. It constitutes no part of the legislative instrument. The keyword, one-liner, abstract, and digest do not constitute part of the law or proof or indicia of legislative intent. [R.S. 1:13(B) and 24:177(E)]

Roy

HB No. 744

Abstract: Limits the discontinuance or cancellation of health insurance coverage under certain circumstances involving fraud.

Present law, relative to group health insurance plans, generally prohibits discrimination against individual participants and beneficiaries based on health status.

Proposed law additionally provides that such plans shall not non-renew or discontinue health insurance coverage of an enrollee or insured under such a group plan for an act or practice that constitutes fraud or an intentional misrepresentation of material fact under the terms of the coverage unless if a claim is made, the act or misrepresentation directly relates to the illness or condition which produced the claim.

Present law, relative to group individual health insurance coverage, allows a health insurance issuer to non-renew or discontinue health insurance coverage for certain specific conditions, including that the plan sponsor or individual has performed an act or practice that constitutes fraud or made an intentional misrepresentation of material fact under the terms of the coverage.

Proposed law limits such non-renewal or discontinuation to cases in which a claim is made, the act or misrepresentation directly relates to the illness or condition which produced the claim.

(Amends R.S. 22:1068(B)(2) and 1074(B)(2); Adds R.S. 22:1063(C))